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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/553,068	04/20/2000	Christopher Phillips	112076-138336	5825
25943 7590 06/08/2009 SCHWABE, WILLIAMSON & WYATT, P.C. PACWEST CENTER, SUITE 1900 1211 SW FIFTH AVENUE PORTLAND, OR 97204				
EXAMINER				
PATEL, JAGDISH				
ART UNIT		PAPER NUMBER		
3693				
MAIL DATE		DELIVERY MODE		
06/08/2009		PAPER		

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary

Application No.

09/553,068

Applicant(s)

PHILLIPS ET AL.

Examiner

JAGDISH N. PATEL

Art Unit

3693

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 19 March 2009.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-4, 7-10, 13-15, 18-20, 22-25, 43-45, 48, 50-52, 61-72 and 74-80 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☒ Claim(s) 1-4, 7-10, 13-15, 18-20, 22-25, 43-45, 48, 50-52, 61-72 and 74-78 is/are allowed.
- 6) ☒ Claim(s) 79 and 80 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☐ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO/SB/08)
Paper No(s)/Mail Date _____
- 4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date _____
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: _____

DETAILED ACTION

1. This communication is in response to amendment filed 3/19/09.

Response to Amendment

2. Claims 1-4, 7-10, 13-15, 18-20, 22-25, 43-45, 48, 50-52, and 61-72 and 74-80 are pending of which Claims 1-3, 13, 14, 43, 44, 65-72, 74-76, and 78-80 have been amended.

Response to Arguments

3. Responsive to the amendment, rejection of claims 1-4, 7-10, 13-15, 18-20, 22-25, 43-45, 48, 50-52, and 61-80 under 35 USC 112(first and second paragraphs) has been withdrawn.
4. Claims 1-4, 7-10, 13-15, 18-20, 22-25, 43-45, 48, 50-52, and 61-72 and 74-78 are allowed.
5. Claims 79 and 80 have been rejected under 35 USC 101 in view of the recent ruling by the Federal Circuit ruling (Bilski "machine-or-transformation" test).

Claim Rejections - 35 USC § 101

6. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 79 and 80 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

In order for a process to be statutory under 35 U.S.C. 101 it must (1) be tied to another statutory class (such as a particular apparatus or machine) or (2) transform underlying subject matter (such as an article or materials) to a different state or thing. See recent decision by The U.S. Court of Appeals for the Federal Circuit decision in *Bilski* (*In re Bilski* No. 2007-1130, 545 F.3d 943, 2008 (Fed. Cir. Oct 31, 2008)), which Established Machine-Or-Transformation Test for statutory process. Prior to this in *Gottschalk v. Benson*, 409 U.S. 63, 71, 93 S.Ct. 253, 34 L.Ed.2d 273 (1972), the Supreme Court reiterated the proposition that "a process patent must either be tied to a particular machine or apparatus or must operate to change articles or materials to a 'different state or thing.'" The Court referred to the well established definition of "process" stated in *Cochrane v. Deener*, 94 U.S. 780, 788, 24 L.Ed. 139 (1877). "A process is a mode of treatment of certain materials to produce a given result. It is an act, or a series of acts, performed upon the subject-matter to be transformed and reduced to a different state or thing." Alternatively, "A process is a mode of treatment of certain materials to produce a given result. It is an act, a series of acts, performed upon the subject- matter to be transformed and reduced to a different state or thing." 308 F3d 1304 *Schumer v. Laboratory Computer Systems Inc*, 64 USPQ2d 1832, 1838 n 6 (Fed. Cir.2002).

In the instant case, none of the process steps of the method claims are tied to an apparatus such as a computer, nor do they transform a subject matter to a different state or thing. Accordingly, the claimed invention fails to qualify as a statutory process under the Guidelines. Claims 79 recites steps of receiving, data providing the billing data (nominal or "post-solution" activity), and determining validity of the use of the billing data. None of these steps are tied to a particular machine (a computer programmed to perform the requisite function). Dependent claim 80 does not resolve this defect. Therefore claims 79-80 are directed non-statutory process under 35 USC 101.

Allowable Subject Matter

7. Claims 1-4, 7-10, 13-15, 18-20, 22-25, 43-45, 48, 50-52, and 61-72 and 74-78 are allowed.

Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to JAGDISH PATEL whose telephone number is (571) 272-6748. The examiner can normally be reached on Monday – Friday.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, **KRAMER JAMES A** can be reached on **(571)272-6783**. The fax phone number for the organization where this application or proceeding is assigned is **571-273-8300**.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

/JAGDISH N PATEL/

Primary Examiner, Art Unit 3693